

Message Text

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PAGE 01 STATE 296271

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INFO OCT-01 ISO-00 SS-15 SSO-00 PA-02 PRS-01 /028 R

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APPROVED BY EA:AWHUMMEL, JR.

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FM SECSTATE WASHDC

TO AMEMBASSY MANILA IMMEDIATE

UNCLAS STATE 296271

E.O. 11652: N/A

TAGS: PFOR MARR RP

SUBJECT: NYTIMES ARTICLE ON PHILIPPINE BASE NEGOTIATIONS

FOLLOWING FOR YOUR INFORMATION IS TEXT OF BERNARD GWERTZMAN
ARTICLE CARRIED IN NEW YORK TIMES OF DECEMBER 5:

BEGIN TEXT: WASHINGTON, DECEMBER 4.

PRESIDENT FERDINAND E. MARCOS OF THE PHILIPPINES HAS
REJECTED A TENTATIVE AGREEMENT WORKED OUT BY HIS FOREIGN
MINISTER AND SECRETARY OF STATE HENRY A. KISSINGER THAT
WOULD HAVE GIVEN MANILA DOLS. 1 BILLION IN ECONOMIC AND
MILITARY AID OVER FIVE YEARS IN RETURN FOR CONTINUED USE
BY THE UNITED STATES OF MILITARY BASES.

STATE DEPARTMENT OFFICIALS, WHO DISCLOSED THE UNDER-
STANDING YESTERDAY, SAID TODAY THAT A MESSAGE HAD BEEN
RECEIVED LATER FROM MANILA REPORTING THAT MR. MARCOS WAS
DISSATISFIED WITH THE LOOSE TERMS OF THE ACCORD. MR. MARCOS
SEEMED TO WANT TO INSURE THAT HE WOULD RECEIVE MORE MILI-
TARY AID THAN THE DOLS. 500 MILLION CALLED FOR IN THE
DOLS 1 BILLION PACKAGE.

SEVERAL OFFICIALS SAID THAT THE MARCOS MESSAGE MEANT THAT
THERE WOULD BE NO AGREEMENT ON BASES WITH THE PHILIPPINES
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PAGE 02 STATE 296271

BEFORE THE CARTER ADMINISTRATION'S ASSUMPTION OF OFFICE

NEXT MONTH.

THE COLLAPSE OF THE NEGOTIATIONS CAME SUDDENLY--JUST AS SUDDENLY AS MR. KISSINGER'S SECRET "BREAKTHROUGH" IN HIS DISCUSSIONS WITH FOREIGN MINISTER CARLOS ROMULO HAD COME EARLIER IN THE WEEK IN MEXICO CITY, WHERE THEY WERE ATTENDING THE INAUGURATION OF PRESIDENT JOSE LOPEZ PORTILLO.

SEVERAL OFFICIALS IN THE STATE DEPARTMENT WERE PRIVATELY CRITICIZING MR. KISSINGER FOR TRYING TO RUSH THE DOLS. 1 BILLION UNDERSTANDING THROUGH THIS LATE IN THE FORD ADMINISTRATION. THE MONEY WOULD STILL HAVE HAD TO BE APPROVED BY CONGRESS NEXT YEAR, AND FINAL DETAILS OF THE TREATY REMAINED TO BE WORKED OUT.

BUT MR. KISSINGER, UPON HIS RETURN FROM MEXICO CITY ON THURSDAY NIGHT, INFORMED OFFICIALS OF THE UNDERSTANDING WITH MR. ROMULO, AND PLANS WERE THEN MADE FOR A PUBLIC ANNOUNCEMENT TODAY, OFFICIALS SAID.

A TEAM OF AMERICAN OFFICIALS WAS SELECTED TO FLY TO MANILA TO CONCLUDE THE NEGOTIATIONS FOR THE TREATY, BUT BOTH THE ANNOUNCEMENT AND THE DEPARTURE OF THE NEGOTIATORS WERE CANCELED, OFFICIALS SAID.

BECAUSE OF CRITICISM IN THE UNITED STATES OF THE MARTIAL-LAW POLICIES OF PRESIDENT MARCOS'S GOVERNMENT, ANY TREATY ON BASES WITH THE PHILIPPINES WOULD PROBABLY MEET DIFFICULTY IN BEING APPROVED, PARTICULARLY SINCE THE DOLS. 1 BILLION AID FIGURE REPRESENTED A DOUBLING OF THE CURRENT AID LEVEL.

SOME AMERICAN OFFICIALS BELIEVED THAT MR. MARCOS WAS EAGER TO CONCLUDE THE BASES NEGOTIATIONS, WHICH HAD PROCEEDED FOR MANY MONTHS WITHOUT MUCH PROGRESS, BEFORE JIMMY CARTER BECAME PRESIDENT.

THEY SAID THAT THE FILIPINOS WERE CONCERNED THAT MR. CARTER MIGHT BE MORE CRITICAL OF THE CIVIL-LIBERTIES
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PAGE 03 STATE 296271

SITUATION IN THE PHILIPPINES AND THEREFORE BE LESS LIKELY TO PAY A HIGH PRICE FOR CONTINUED USE OF THE BASES.

THE BASES, PARTICULARLY CLARK AIR BASE AND THE NEARBY SUBIC BAY NAVAL STATION, ARE VIEWED AS CRUCIAL TO THE DEFENSE DEPARTMENT SINCE THEY ARE THE LARGEST AMERICAN AIR AND NAVAL FACILITIES BETWEEN THE ASIAN MAINLAND AND HAWAII.

BECAUSE OF THE STRATEGIC IMPORTANCE OF THE PHILIPPINE BASES, USED BY THE UNITED STATES UNDER TREATY SINCE THE PHILIPPINES GAINED INDEPENDENCE IN 1946, MR. KISSINGER WAS ALSO EAGER TO CONCLUDE AN AGREEMENT DURING THE ADMINISTRATION.

NEGOTIATIONS HAD BEEN CONDUCTED UNTIL THE FALL PRIMARILY IN THE PHILIPPINES BY AMBASSADOR WILLIAM H. SULLIVAN.

BUT THIS FALL, WHEN MR. ROMULO CAME TO NEW YORK TO ATTEND THE UNITED NATIONS GENERAL ASSEMBLY, THE TALKS SHIFTED TO NEW YORK AND WASHINGTON, WITH MR. KISSINGER AND MR. ROMULO CONDUCTING THEM.

IN MEXICO CITY, MR. KISSINGER AND MR. ROMULO REPORTEDLY AGREED ON A STATEMENT TO BE MADE PUBLIC TODAY THAT WOULD HAVE SAID THAT THE UNITED STATES HAD AGREED TO PROVIDE DOLS. 1 BILLION IN ECONOMIC AND MILITARY AID OVER THE FIVE YEAR PERIOD OF THE TREATY IN RETURN FOR USE OF THE BASE, AND THAT NEGOTIATIONS WOULD BE INTENSIFIED TO COMPLETE FINAL DETAILS.

FEW OFFICIALS IN THE BUREAUCRACY HERE WERE AWARE OF THE ARRANGEMENTS BEING WORKED OUT UNTIL THE OTHER DAY.

SOME OFFICIALS BELIEVE THAT MR. MARCOS MAY HAVE DECIDED IN THE END THAT IT WAS BETTER TO NEGOTIATE THE AGREEMENT WITH THE NEW CARTER ADMINISTRATION, WHICH WOULD HAVE TO DEFEND IT IN CONGRESS, RATHER THAN WITH THE LAME-DUCK FORD ADMINISTRATION. END TEXT.
KISSINGER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, MILITARY BASES, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 05 DEC 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE296271
Document Source: CORE
Document Unique ID: 00
Drafter: AWHUMMEL, JR.:CED
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760449-1209
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761271/aaaaciyi.tel
Line Count: 146
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: wolfsd
Review Comment: n/a
Review Content Flags:
Review Date: 28 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <28 MAY 2004 by hattaycs>; APPROVED <09 AUG 2004 by wolfsd>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: NYTIMES ARTICLE ON PHILIPPINE BASE NEGOTIATIONS FOLLOWING FOR YOUR INFORMATION IS TEXT OF BERNARD GWERTZMAN ARTICLE CARRIED IN NEW YORK TIMES OF DEC EMBER 5
TAGS: PFOR, MARR, RP, NEW YORK TIMES
To: MANILA
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006